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THE Agricultural Situation

JUNE 1949

Volume 33 Number 6

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[The AGRICULTURAL SITUATION is sent free to crop and price reporters in connection with their reporting work]

Editor: Wayne Dexter

A monthly publication of the Bureau of Agricultural Economics, United States Department of Agriculture, Washington, D. C. The printing of this publication has been approved by the Director of the Budget, February 4, 1949. Single copy 5 cents, subscription price 50 cents a year, foreign 70 cents, payable in cash or money order to the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

HOW 1,927 FARM ACCIDENTS OCCURRED, THEIR COST IN TIME AND MONEY

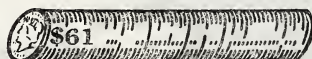
AVERAGE DAYS LOST
PER ACCIDENT

KIND AND NUMBER
OF ACCIDENTS

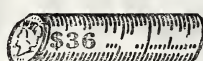
AVERAGE MEDICAL COST
PER ACCIDENT



FALLS - 476



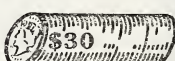
MACHINES - 248



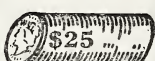
ANIMALS - 233



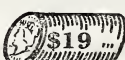
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DATA FROM SURVEYS MADE BY BAE IN 1947 AND 1948

BAE 47194-X

Farm Accident Toll for 1948:

\$36,000,000; 17,000,000 Days

DURING 1948, at least one resident out of every 6 farms had an accident involving 1 day or more lost from regular activities.

Medical, dental, and hospital care from these injuries cost farm people 36 million dollars, an average of \$43 per accident. This does not include the cost of accidents to those who were killed, or who suffered permanent total disabilities; or costs other than those resulting directly from the care of injuries. About a fourth of medical costs were covered by insurance.

Farm people lost 17 million days from regular activities from accidents in 1948, an average of 20 days per accident.

First Nation-wide Sample

These findings are based on an analysis of nearly 2,000 accidents reported in three enumerative surveys made by the Bureau of Agricultural Economics in 1947 and 1948. It was the first Nation-wide sampling to determine the incidence, severity and kinds of accidents occurring to farm people. Results of the surveys provide information on accidents occurring in all months of the year.

Seventy-two percent of all accidents to farm people occurred on the farm—16 percent in the farm home and 56 percent elsewhere on the farm. Eleven percent occurred on roads or streets off the farm. The other 17 percent included industrial accidents suffered by farm people who were working in factories and accidents of children in games at school.

Fifty-four percent of injuries were sustained while the victim was engaged in farm work. Farm accidents reached a peak in September, when both farm work accidents and recreational accidents were sharply up.

Males had an accident rate over three times as great as females, and males in the age group 25 to 44 years had the highest rate.

Falls accounted for a fourth of all accidents and were the leading type in all regions. Machines and animals were next, each accounting for about an eighth of all accidents to farm people.

Falls Second in Severity

Major types of accidents reported in the surveys:

Falls.—Falls more frequently resulted in disabling injuries than any other type of accident. They were second in severity, with an average of 24 days lost per accident.

Falls occurring on stairs or steps and those resulting from slipping on ice caused few disabling injuries for young people, but were important for all adult age groups. They made up a particularly large proportion of falls experienced by women.

Machines.—Tractors accounted for about 4 percent of all accidents in the surveys. Cranking tractors was most frequently reported as resulting in injuries, usually sprained or broken wrists or arms. Corn picker and corn sheller accidents frequently resulted in loss of fingers or hands.

Other Machine Injuries

Farm people also were injured in handling cultivators, ensilage cutters, corn elevators, manure spreaders, and various specialized harvesting machines. Other injuries resulted from industrial machinery accidents occurring to farm people working off farms.

Animals.—Horses and mules were exceeded only by autos and trucks among the specific agents causing farm accidents. Horses in relation to their numbers were responsible for the greatest proportion of these accidents. Young people were usually injured when riding horses and older people when handling them. Accidents involving cows and steers resulted most frequently from kickings.

Motor vehicles.—An average of 31 days were lost for each motor vehicle accident, and the resulting medical care costs averaged \$64. These accidents were more severe and more costly than any other type. They included about a tenth of all accidents reported.

Many Collisions

Of the auto and truck accidents, over three-fourths were nonpedestrian accidents, mostly collisions. Children were usually injured as pedestrians, often when they were going to or from school. However, a third of the pedestrian accidents happened on farms, usually when cars were backing or starting.

Handling objects.—Over half of the cases in this type resulted from lifting heavy objects, such as logs, lumber, and pieces of farm machinery. Back injuries were sustained in a great majority of the cases. About one out of 15 of these accidents caused ruptures.

Hand tools.—Axes were involved in nearly half of the hand tool accidents. The person injured was usually chopping wood when the axe slipped, glanced, or missed its object, striking his feet or toes. Knives were second in importance among hand tools causing injuries, and pitchforks third.

Stepping on or striking against objects.—Injuries from this type were less severe than for any other type. Nevertheless, they resulted in an average of 11 days lost per accident. One out of every 6 of these accidents occurred in the home.

Burns, Shock Injuries Costly

Falling and flying objects.—Accidents of this type occurred most frequently while farm people were cutting trees and hauling or handling logs or lumber.

Burns or shock.—Burns or shock were the least frequent type of farm accident. However, they were third in

the average cost of medical care. Young children were generally injured while playing around stoves or outdoor fires. Adults were most often injured when starting or tending stoves or oil burners. Often stoves exploded when being ignited with kerosene. Some explosions of gas stoves were also reported. Sixty-two percent of all burns occurred in the home.

The South showed the lowest rate of accidents with 27 out of every 1,000 farm people suffering an injury at some time during the year which caused them to lose one or more days. The accident rate was slightly below the national level in the Northeast, and considerably above the national level in the North Central region and West. The North Central region had the highest rate for machine and motor vehicle accidents.

Costs Lower in South

Average medical costs ranged from \$34 in the South to \$66 in the Northeast. The low average in the South was partly due to the low incidence of motor vehicle and machine accidents, the two most costly types of accidents. However, costs of accidents of nearly all types were lower in the South and higher in the Northeast than elsewhere. The South also was lowest in extent of insurance, with 16 percent of medical costs covered. The West with 37 percent had the highest coverage.

Because of the small numbers of fatal and permanent total-disability accidents occurring on the sample farms, no reliable indications of the relative importance of such accidents could be obtained from the surveys. However, estimates of occupational accidents prepared by the Bureau of Labor Statistics indicate that in recent years there were more fatalities in agricultural activities than in any other major industry.

Catherine Senf
Bureau of Agricultural Economics

Farmers' Short-Term Debts Reach Postwar High

THE VOLUME of short-term debts owed by farmers has increased steadily since the end of the war and on January 1, 1949, totaled 4.9 billion dollars compared with 3.1 billion at the beginning of 1948 and 2.8 billion on January 1, 1946.

This debt, which does not include commodity loans made or guaranteed by CCC, was owed to a variety of lenders such as banks, production credit associations. Farmers Home Administration, merchants, finance companies and individuals. For several years before the war farmers' short-term debts increased, reaching a high of 3½ billion on January 1, 1942. The debt on January 1 of the remaining war years averaged 2.8 billion dollars.

Estimates of short-term debts, particularly for States, are not precise because of the many different credit sources. However, current trends in the use of short-term credit probably are reflected in the loans of banks and production credit associations, and discounts made by the Federal intermediate credit banks. These lenders account for about half the short-term credit extended to farmers.

Up 90% in 3 Years

Between January 1, 1946, and the first of this year, outstanding loans of these lenders increased nearly 90 percent. Increases occurred in all States and ranged from 60 and 75 percent in the 2 South Central regions to more than 110 percent in the New England, Middle Atlantic, and East North Central regions.

During 1948, credit from these lenders rose 23 percent for the whole country. The increase was largest in Midwestern States with Illinois, Minnesota, Iowa, and the Dakotas showing gains of 30 percent or more. Debts were up about 29 percent in the North Central and Pacific regions, 17 percent in the East South Central and 14 percent in the South Atlantic region. The debt in New England rose only 1 percent during 1948 but a substantial expan-

sion had occurred there in the early postwar years.

There are a number of reasons for the expanded use of credit in recent years. Prices of equipment and supplies have increased and wage rates have gone up. Supplies of farm machinery, automobiles, household appliances and other goods which were short during the war have increased. Favorable prices for farm products, high production and plenty of loan funds have encouraged liberal use of credit. The number of farmers using credit apparently has increased considerably. Many veterans and others who started or resumed farming after the war have had to borrow much of their working capital.

Financial Condition Good

On the whole, however, the financial condition of agriculture is healthy. Cash, bank deposits and saving bonds still are at a record level of about 20 billion dollars. The farm-mortgage debt of 5.1 billion dollars is well below prewar. In general, the heavy use of short-term credit has been necessary to keep the farm industry operating at a high level. So far, relatively high incomes have prevented any extensive debt distress.

Many individual farmers, however, may have borrowed too much. In some areas where production or prices have been low, there are a few signs that short-term debts may have to be carried over another year or refinanced into a long-term loan. Farmers who have stretched their credit resources to the limit will be the first to be affected. Some lenders have contributed to this situation by not giving adequate consideration to the expected income of those receiving loans.

In view of the heavy credit being carried by many farmers, a long general decline in farm income probably would create a need for widespread refinancing. Those who have no basis for long-term credit would do well to reduce their debts in line with prospective earnings.

Lawrence A. Jones
Bureau of Agricultural Economics

Farm Machinery Output High

A LARGE volume of farm machinery again will be produced in 1949 and output during the first half of this year will be even larger than in the same period of 1948, reports from trade sources indicate.

Production of all kinds of farm machinery, equipment and repair parts in 1948 was at least a fifth above the previous record of 1947 and more than 2½ times the average for 1935-39. Plant facilities have been increased materially in recent years and with more adequate supplies of labor and materials, conditions are favorable for a further increase in output.

During the last half of 1949, however, farmers are likely to buy somewhat less farm machinery than in the last 6 months of last year. A further decline is in prospect for 1950. The backlog of orders is gradually being filled. Prices of farm products and farm incomes are lower than in 1948. Although prices of farm machinery are the highest on record they have increased less since prewar than prices of most farm products. Production schedules of manufacturers can be expected to reflect changes in the volume of sales.

Machinery Exports Increase

As production of farm machinery has increased, larger quantities have been shipped abroad. Exports in 1947 and in 1948 made up about a sixth of output and totaled more than three times prewar. About a fourth of last year's exports went to ECA countries and their dependent overseas territories. Before the war, these countries took about 30 percent of our farm machinery exports.

Exports in 1949 may fall off slightly from last year's record. Dollar shortages will reduce takings of some countries. In addition, increased foreign production, especially in the United Kingdom, is becoming increasingly important in the export market.

Imports of farm machinery, mostly from Canada and the United Kingdom,

also have increased. Last year's volume was 10 times the prewar average although it made up only about 4 percent of the quantity available to United States farmers. As supplies available from domestic production increase, imports are likely to decline.

U. S. Sales Large

The large output of farm machinery last year found a ready market. About 455,000 wheel tractors were sold in the United States with more than 95 percent bought for farm use. Wheel tractor production amounted to about 530,000 with about 100,000 being exported. Imports totaled a record 25,000 units. The 40,000 crawler tractors produced in 1948 exceeded the 1947 output but was less than in 1944 and 1945 when much of production was for military use.

About 180,000 garden tractors came off the assembly lines in 1948, about 7,000 more than in 1947 but more than 20 times the average prewar output. Farmers probably purchased about half these machines while the rest were bought by people in urban areas or were exported.

In 1948, farmers bought one new combine for every six on farms that year. Production of combines totaled about 90,000. Around 12,000 were exported while 10,000 were imported from Canada. Sales of corn pickers, field forage harvesters, windrow pick-up balers all set new records last year. Preliminary estimates indicate that output of pick-up balers totaled more than 40,000 compared with the previous high of 26,000 in 1947. Before the war, production of these machines was of little importance.

The quantity of most farm machines available to farmers in 1949 and 1950 probably will far exceed replacement needs. In each year, not more than 100,000 tractors are likely to be scrapped while 150,000 may be needed to replace work animals. However, farmers' purchases in 1949 probably will exceed these basic requirements,

and may drop only moderately below 1948. A further decline is likely in 1950.

Farm machinery production has been large in each year of the past decade, except 1943. During this time, labor shortages, rising farm incomes, high wage rates, high feed prices for work stock and relatively favorable prices for new farm machinery have stimulated rapid mechanization of our farms.

3½ Million Tractors

The number of tractors more than doubled from January 1, 1940, to May 1948. With the large 1948 purchases, it is likely that at least 3½ million tractors of all kinds were on farms at the beginning of this year. About 88 percent were wheel tractors, most of which were the general-purpose type. The number of garden tractors on farms jumped from 70,000 in 1945 to more than 200,000 in 1948. In addition, farmers had about 125,000 crawler tractors and around 75,000 home-made machines, constructed mostly from automobile and motor truck parts.

Farmers have scrapped only a small proportion of their tractors since 1940 and many of those in use are more than 15 years old.

The percentage increase in the number of combines and corn pickers in recent years has been even greater than the increase in tractors. On the other

hand, gains in the numbers of manure spreaders, mowers, and side-delivery rakes have been moderate. Most of these machines being sold now are adapted primarily for tractor power.

Along with the increase in tractor machines and tractors, there have been decreases in the number of work animals and in all kinds of animal-drawn machines and equipment. More than 300,000 grain binders disappeared from farms from 1942 to 1948, due primarily to the rapid adoption of the combine.

Small 1948 Colt Crop

In 1949, there were less than 8 million head of work animals (horses and mules 3 years old and more) on our farms. Since 1920, more than 12 million head of work stock have disappeared from our farms with a third of the reduction occurring since the beginning of the present decade.

The 1948 colt crop was only 200,000 head, the smallest in more than a century. This is only large enough to maintain a total horse and mule population of about 3.5 million head—less than half the present number. So the decline in horse and mule numbers which began in 1918 seems certain to continue for several years more.

Albert P. Brodell

Bureau of Agricultural Economics

Number of Machines on United States Farms

Farm machines	On farms Jan. 1, 1940	On farms January 1942	On farms January 1945	On farms May 1948
	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>
Farm tractors.....	1, 545	1, 885	2, 422	3, 250
Combines.....	190	275	375	540
Corn pickers.....	110	130	168	310
Mowers.....		2, 885	2, 819	2, 970
Manure spreaders.....		1, 160	1, 128	1, 340
Grain binders.....		1, 381	1, 246	1, 060
Tractor moldboard plows.....		1, 468		2, 540
Side-delivery rakes.....		716	739	850
Farms with milking machines.....	175	255	365	660
Windrow pick-up balers.....	8	25	42	1 85
Motortrucks.....	1, 047	1, 160	1, 490	1 1, 920
Automobiles.....	4, 144	4, 670	4, 152	1 4, 930

¹ Estimate for Jan. 1, 1948.

POTATO PREFERENCES

of hotel, restaurant buyers

A MEDIUM to fairly large potato of good quality is preferred by the majority of food buyers for restaurants and hotels in New Orleans and Cincinnati, according to a survey made by the Bureau of Agricultural Economics. The study was financed by funds appropriated under the Research and Marketing Act.

New Orleans and Cincinnati were selected for the survey because it was expected that they would differ significantly in type and quantity of potatoes consumed. Since only the two cities were covered, the results should not be considered representative of the whole country. However, the answers given by the 500 buyers interviewed on what they looked for in potatoes and how they bought and used them are valuable for farmers who wish to produce the kind of potatoes these buyers want.

Mention Quality Most Often

Quality factors, as might be expected, were mentioned most often when buyers told what they looked for first when purchasing potatoes. Their answers indicated that they considered good-quality potatoes those that could be prepared with little waste, were easy to peel and slice, and had good cooking qualities. Specific points most often mentioned were firmness and soundness, freedom from rot, a smooth skin without cuts, cracks, or bruises, and regular shapes without deep eyes.

Next to quality, buyers mentioned type or variety most often. Since few buyers could tell one variety from another, potatoes were described by types in the survey—the long, white, netted group; the round, red, smooth; and the round, white, smooth type.

Long, white, netted potatoes were purchased by more buyers than any other type in both cities. The round, red, smooth type was almost as popular in Cincinnati but rarely was mentioned in New Orleans. A fourth of the buyers in New Orleans and a fifth of those in Cincinnati bought the round, white,

smooth potato. When buyers were asked why they bought the latter, they mentioned the fact that they were available and the price was lower. In contrast, buyers in both cities bought the long, white, netted type mainly for cooking quality and size.

Long Type Satisfies

The type of potatoes purchased and the kind the buyers prefer were not always the same. For instance, most buyers of the two round types of potatoes preferred some other type. On the other hand, almost all of the buyers of the long, white, netted type said they were satisfied.

After quality and type, the size of the potatoes was mentioned most often by the 500 buyers. In the round potatoes, marked preference was shown for those three inches in diameter. Next most popular was the 2¾ inch with 2½ and 3½ inch potatoes sharing third place. Although other sizes were preferred, a few buyers said they would use 1½-inch potatoes, while about a fifth said they would accept potatoes 4½ inches and over.

8- and 10-Ounce Sizes Favored

Among long potatoes, the 10-ounce size was favored in New Orleans while the 8-ounce size was preferred in Cincinnati. The greater popularity of French fries in the southern city probably accounted for the preference for the larger potato.

Cincinnati buyers consistently named fewer sizes as acceptable to them than those in New Orleans. This was true regardless of the amount of potatoes buyers purchased each week.

Four-fifths of the buyers in New Orleans and two-thirds of those in Cincinnati say they buy general purpose potatoes that can be used for various sorts of cooking. Most of them preferred general purpose potatoes of one size because of the convenience of peeling and preparation.

Some of the buyers purchase special-purpose potatoes, mainly for French

frying although some also are used for mashing and baking. Higher prices usually are paid for special-purpose potatoes.

The survey indicated that buyers generally know little about the U. S. grades. Only about two-thirds of those interviewed said they had ever heard of grade markings for potatoes. More buyers who purchased large quantities had heard of grades than those who bought smaller amounts.

Among those who had heard of grades, many were vague as to what they meant. Over half thought grades referred only to quality; a fifth thought that both size and quality were included; and a small group said grades pertained only to size. A tenth knew nothing at all about specifications. Half the buyers said that U. S. No. 1 potatoes are the highest grade. Actually, there are two higher grades, extras and fancies.

Grades Satisfy Most

Despite this general lack of information, the majority of buyers in each city who had heard of grades said they were satisfied on the whole with the grading set-up. Among those dissatisfied, most criticized the application of the standard rather than the grades themselves. As one man put it, "No change in the grades, but they should find some way to keep dealers from monkeying with the potatoes. Make them apply the grades."

Several other interesting facts were brought out in the survey.

Half the buyers in both cities had found defective potatoes in their purchases during the fall and winter season. Chief defects were "rotten insides," "hollow centers," and "black and brown streaks." Of the bad lots reported, losses averaged about 15 percent.

Buyers generally had scant information about dehydrated potatoes, potato flour or canned boiled potatoes and seemed to have little interest in learn-

ing more. Only about one in 100 buyers had ever used dehydrated potatoes or potato flour. Only about one in 20 occasionally used canned boiled potatoes.

"Competing foods" such as spaghetti, macaroni, and rice were served in most of the eating houses represented by the buyers but in much smaller quantities than potatoes. Of these foods, rice is served most often in New Orleans while spaghetti is second and macaroni a poor third. Spaghetti is first in Cincinnati followed by macaroni and rice.

Little Price Effect

Generally, hotels and restaurants in the two cities buy about the same amount of potatoes whether supplies are scarce or plentiful. Price also seems to have relatively little effect on the amounts purchased although a few of the buyers said they cut down on their purchases when prices were high. Quality of the potatoes also may affect purchases. A few buy more when quality is poor "to make up for waste." Most of those who take quality into account, however, reduce their purchases when quality is poor.

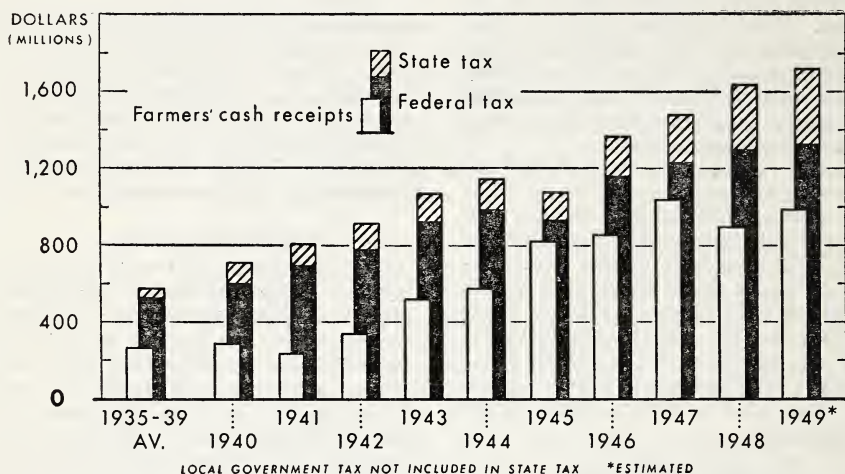
About two-thirds of the independent buyers of general-purpose potatoes in both cities said they bought between 100 and 199 pounds on the last purchase before being interviewed. Most of them bought 100-pound bags, the most-favored unit of purchase. Over three-quarters of those who bought prepacked potatoes bought in 100-pound bags.

Buy for Week or Less

The great majority of buyers in both cities said that they bought potatoes for a week or less at a time. About two-fifths bought for less than five days. Only about 1 buyer in 10 in New Orleans and 1 in 20 in Cincinnati bought for more than two weeks at a time.

Howard Mandel
Bureau of Agricultural Economics

FEDERAL AND STATE TAX RECEIPTS FROM TOBACCO PRODUCTS, AND FARMERS' CASH RECEIPTS FROM TOBACCO, FISCAL YEARS 1935-49



B A E 47196-X

Tobacco Taxes Top Farm Receipts

FEDERAL and State governments are expected to collect 1,720 million dollars from taxes on tobacco products in the fiscal year 1948-49, 1¾ times as much as the estimated 980 million dollars farmers will receive from tobacco marketings. This does not include taxes on tobacco products collected by many cities and towns.

Revenues from tobacco products have increased steadily for 15 years, except in 1944-45 when large quantities of tax-free cigarettes and other tobacco products were sent to the overseas forces. During the current fiscal year, Federal tax receipts from tobacco will amount to about 1½ billion dollars, about 3½ percent of all tax revenues, excluding employment taxes. Federal taxes on tobacco products were first imposed during the early 1860's.

State taxation of tobacco products dates back to the early 1920's and has made rapid headway in recent years. Thirty-nine States now tax tobacco products and many of them have increased their rates in the last 2 or 3 years. State tax collections on tobacco in fiscal 1949 will total close to 390 million dollars, 9 times the average for

1935-39, and between 5 and 6 percent of all revenues, excluding employment taxes.

Increased revenues from tobacco in recent years have come not only from higher tax rates but from increased consumption of tobacco products. For instance, Americans are now smoking twice as many cigarettes as before the war. Cigarettes account for the bulk of tax collections from tobacco products.

With higher prices and increased output, cash receipts of tobacco growers have been considerably higher in recent years than before the war. Receipts from tobacco in 1944-48 averaged about 8 percent of cash receipts for all crops and a little more than 3½ percent of receipts from total farm marketings.

Taxes on tobacco products make up a smaller share of total revenues in the United States than in many foreign countries. In Britain, for instance, revenues from tobacco custom and excises in the year ending March 1949, made up about 16½ percent of total tax revenues.

Arthur G. Conover
Bureau of Agricultural Economics

On larger rice farms

Combines Lower Harvest Costs

ARKANSAS farmers with 100 or more acres of rice can harvest their crop with combines at less cost than with binder and thresher, according to a report made by the Arkansas Agricultural Experiment Station and the Bureau of Agricultural Economics.

The report is part of a larger study of the meaning of mechanization to rice farmers. It is partly supported by funds appropriated under the Research and Marketing Act. Results are for 1947 only.

Combines were first used for rice in Arkansas in 1942. In 1947 they harvested over half the State's crop. Most of the combines on the 155 farms studied were the self-propelled type but some were tractor-drawn. The table below shows costs per acre and per bushel for the different methods of harvesting on three farms.

The greatest savings made by combines came from the labor saved. Combines took 2.4 to 3.6 man hours per acre compared with slightly over 11 hours for the binder method. Tractor costs and operating costs, including supplies, also were well below those for binders and threshers.

One of the major costs as well as one

of the major problems of combining rice arises from the fact that for high quality, rice must be cut when the moisture content is well above the point at which it can be stored safely. Drying is done at central plants and must be started within a day to avoid damage. In 1947, farmers who combined their rice paid driers an average of 13.8 cents per bushel of dry rice. Lack of drying facilities handicapped some farmers in 1947 but new facilities are being added.

Because combining machinery is more costly, depreciation and interest charges are higher than for binders and threshers.

In addition to the cost advantages of combines, there are other considerations more difficult to measure. With combines the regular farm force can harvest the crop in a short time with little help. Combining reduces the time that rice is exposed to bad weather and in case of storm or wind damage, a much higher percentage of the crop can be saved. Combine operators also say that harvesting waste is less than with binders.

M. W. Slusher

Troy Mullins

Bureau of Agricultural Economics

Harvesting Costs For Rice

Costs	Combine Method			Binder method	
	6-foot tractor drawn	12-foot self propelled	Custom	Own thresher	Custom thresher
Farm with 100 acres of rice:					
Cost per acre	\$16. 26	\$19. 39	\$16. 56	\$17. 48	\$17. 26
Cost per bushel .....	. 34	. 40	. 35	. 36	. 36
Farm with 200 acres of rice:					
Cost per acre	14. 50	15. 30	16. 56	16. 16	16. 75
Cost per bushel .....	. 30	. 32	. 35	. 34	. 35
Farm with 400 acres of rice:					
Cost per acre	14. 36	13. 26	16. 56	15. 85	16. 82
Cost per bushel .....	. 30	. 28	. 35	. 33	. 35

The Agricultural Ladder?

IN 1880, for the first time, the Bureau of the Census gathered information on farm tenure. In the 60 years between that Census and the Census of 1940, the proportion of owners in the farm working force of the United States showed a steady decline. The proportions of tenants and of laborers increased, although at varying rates in the different areas.

In 1880, of each 1,000 males 20 years and over gainfully employed on farms, 547 were owners. By 1940, the number had dropped to 414. In 1880, only 187 of the 1,000 were tenants; by 1940 this number was 273. In 1880, 266 of the 1,000 worked on farms for wages; by 1940, the number of farm laborers had risen to 313 of each 1,000.

These figures are brought out in a recent publication of the Bureau of Agricultural Economics, "Trends in the Tenure Status of Farm Workers in the United States Since 1880," by Carl C. Taylor, Louis J. Ducoff, and Margaret Jarman Hagood.

Study Ladder Theory

This report has for its main purpose an analysis of the operation of the so-called agricultural ladder—the theory that farm people progress from the lowest rung, farm labor, to the second, tenancy, and finally to ownership.

In both the Pacific and the New England States, the proportion of farm laborers at the bottom of the ladder increased from 1880 to 1940. This was because of a decrease in both owners and tenants—those on the two upper rungs of the ladder. The Mountain States had the largest relative decline in the number of owners—280 per 1,000 agricultural workers. More than two-thirds of this decline was accounted for by an increase in the number of farm laborers. An increase in number of tenants accounted for the remainder.

In the West North Central and the West South Central States, farmers accumulated on the tenant or second

rung of the agricultural ladder—between two and three times as many as on the labor rung. Sharecroppers accounted for much of this increase in the West South Central States.

Plantation owners in both East and West South Central States have shifted back and forth from sharecropper labor to operation with hired labor so that no definite trends can be seen in those States in recent years. In the West North Central States, the number of tenants increased steadily.

Why Ownership Declined

Many factors entered into the decrease in ownership over the 60 years: The shift from relatively self-sufficient farms to the commercialized highly mechanized agriculture of today; the decline of new farming opportunities; the changes in size and types of farms that came about because of technological improvements; the increase in values of farm real estate.

Conditions peculiar to certain periods also contributed to the decline in ownership. During the severe depression that began in 1893 and lasted almost to the end of the decade, farms were lost because of foreclosures and other forced sales. In the Mountain States, the rapid expansion of production of sugar beets contributed to a large gain in number of farm laborers, and this helped to decrease the proportion of owners.

From 1920 to 1930, heavy mortgage-debt payments on land bought at inflated prices; boll weevil damage in the older Cotton Belt; and growth in large-scale farms and ranches accounted for most of the loss in ownership.

Probably as many as half of those who are on one of the two lower rungs of the ladder at 20, leave agriculture, usually within a few years. However, many people move off the agricultural ladder without leaving their home communities. Easy transportation has meant more nonfarm jobs for farm people who commute to them daily.

The proportion of older men has increased among both owners and tenants. Here are the median age figures—that is, half were older and half were younger than the ages given here—by census years, 1890–1945:

Year	Owners age	Tenants age
1890-----	¹ 47. 7	¹ 37. 9
1900-----	¹ 48. 2	¹ 38. 0
1910-----	47. 7	36. 4
1920-----	48. 4	37. 7
1930-----	51. 1	38. 9
1940-----	52. 7	40. 8
1945-----	51. 9	42. 1

¹ Heads of households of owned and rented farm homes. Not precisely comparable with other medians.

This rise in median age of both groups reflects the general aging of the population. But the fact that for some decades tenants have had a median age about 10 years younger than that of owner-operators does not prove that this difference in ages comes about because tenants climb the agricultural ladder to ownership.

Did Not Climb Ladder

A detailed study of the age composition of owners and tenants in successive decades leads the authors of the report to conclude that apparently the majority of farm tenants did not progress to ownership during the 60-year period. It appears that the majority of those who became owners did not do so by climbing from tenancy to ownership. They became owners in other ways, especially through inheritance and by purchase of farms with funds earned from nonfarm occupations.

Since 1940, however, the picture has changed. The number of farm tenants has drastically decreased.

There are several reasons. The exodus of men from the farm population has been drawn from the laborer and tenant group rather than from the owner group. Higher farm incomes have permitted many tenants to buy farms. Many nonfarm people have bought farms; and many former landlords are now operating their farms.

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Outlook Highlights

. . . . JUNE 1949

"Barometers" Continue To Fail

Trends in the Nation's economy this spring contrast strikingly with those of a year ago. Last spring, nearly all of the "barometers" of economic activity were moving higher, month by month. This spring, downtrends are general.

Here in brief is what is happening to several of the important barometers:

Industrial production in April was 3 percent below March, 5 percent below April 1948, 3 percent below the postwar peak of October 1948. Declines are general among both durable and non-durable industries. Backlog demands for nearly all industrial and consumer goods appear to have been worked off.

Employment rose 200,000 from March to April but at 57.8 million was half a million below a year earlier. All of the March–April gain occurred on farms. Nonfarm employment in early April was down to 50 million, 300,000 below March and 900,000 below a year earlier. About 3,000,000 are unemployed.

Wholesale prices in late May averaged about the same as in late April, 8 percent below last fall's record, 5 percent below May 1948. Prices of all groups except metals and metal products are below a year earlier. Sharpest declines from a year ago have been made by farm products, food, and textiles.

Prices received by farmers in mid-May were 1½ percent below a month earlier, 11 percent below May, 1948, 17 percent below the January, 1948, peak.

Prices paid by farmers, including interest and taxes, have eased only slightly in recent months; in mid-May were only 2 percent under the record set in 1948.

The parity ratio in May was down to 104, 10 percent below a year earlier and the lowest since June 1942.

Total personal income dropped for the third straight month in March. The annual rate was 214.3 billion dol-

Prices of Farm Products

[Estimates of average prices received by farmers at local farm markets based on reports to the Bureau of Agricultural Economics. Average of reports covering the United States weighted according to relative importance of district and State]

Commodity	5-year average		May 15, 1948	Apr. 15, 1949	May 15, 1949	Parity price May 15, 1949
	August 1909-July 1914	January 1935- December 1939				
Wheat (bushel).....dollars..	0.884	0.837	2.22	2.00	2.00	2.17
Rye (bushel).....do.....	.720	.554	2.12	1.18	1.19	1.76
Rice (bushel).....do.....	.813	.742	¹ 3.07	2.30	2.29	1.99
Corn (bushel).....do.....	.642	.691	2.16	1.22	1.22	1.57
Oats (bushel).....do.....	.399	.340	1.12	.698	.660	.978
Barley (bushel).....do.....	.619	.533	1.75	1.00	.970	1.52
Sorghum grain (100 pounds).....do.....	1.21	1.17	3.58	2.18	2.15	2.96
Hay (ton).....do.....	11.87	8.87	18.30	19.00	17.70	29.10
Cotton (pound).....cents.....	12.4	10.34	35.27	29.91	29.97	30.38
Cottonseed (ton).....dollars..	22.55	27.52	90.70	50.30	50.40	55.20
Soybeans (bushel).....do.....	2.96	.954	3.74	2.08	2.18	² 2.35
Peanuts (pound).....cents.....	4.8	3.55	10.4	10.6	10.6	11.8
Flaxseed (bushel).....dollars..	1.69	1.69	5.81	5.46	3.68	4.14
Potatoes (bushel).....do.....	⁴ .697	.717	¹ 1.91	1.81	1.81	1.80
Sweet potatoes (bushel).....do.....	.878	.807	2.44	2.75	2.73	2.15
Apples (bushel).....do.....	.96	.90	¹ 1.90	3.08	3.14	2.35
Oranges on tree (box).....do.....	⁴ 2.29	1.11	1.03	1.92	2.76	3.69
Hogs (hundredweight).....do.....	7.27	8.38	19.90	18.60	17.90	17.80
Beef cattle (hundredweight).....do.....	5.42	6.56	23.90	20.80	20.90	13.30
Veal calves (hundredweight).....do.....	6.75	7.80	25.00	24.90	23.80	16.50
Lambs (hundredweight).....do.....	5.88	7.79	23.30	25.80	25.30	14.40
Butterfat (pound).....cents.....	26.3	29.1	83.6	61.4	60.6	64.4
Milk, wholesale (100 pounds).....dollars..	1.60	1.81	¹ 4.65	¹ 3.74	⁶ 3.60	3.92
Chickens (pound).....cents.....	11.4	14.9	28.5	31.0	28.2	27.9
Eggs (dozen).....do.....	21.5	21.7	41.5	42.3	43.4	52.7
Wool (pound).....do.....	18.3	23.8	¹ 47.6	51.5	50.6	44.8

¹ Revised.

² Comparable base price, August 1909-July 1914.

³ Comparable price computed under the Steagall amendment.

⁴ 1919-28 average of \$1.12 per bushel used in computing parity.

⁵ 1919-28 average for computing parity price.

⁶ Preliminary.

lars, 6.7 billion below the December peak, but 8.6 billion above a year earlier.

Prices paid by urban consumers, in contrast to prices in farm and wholesale markets, continue at near record levels. In April, the consumer price index was slightly higher than in March, only 3 percent below the August-September 1948 record and about 2 percent higher than in April, 1948.

Farm Exports Top Early '48

About 1,013 million dollars worth of farm products were exported in the first quarter of 1949, 8 percent more than in the last quarter of 1948 and 18 percent more than a year earlier.

No Sharp Food Price Drop Seen

Retail food prices in the late spring and summer are expected to be generally lower than in the same months of 1948. No sharp, general break is likely, however, and retail food prices

for 1949 probably will average only moderately below last year. Consumption of food per person in this country is expected to be about the same as in 1948.

Dairy Receipts to Decline

Farmers' receipts for marketings of milk and butterfat in 1949 probably will be nearly 4 billion dollars compared with 4.4 billion in 1948. Farmers will sell more milk than last year but prices will run considerably lower. Net income for dairymen also may fall below 1948 levels since production costs are not likely to drop as much as cash receipts.

Strong Demand for Maryland

With demand for Maryland, type 32, tobacco very strong during the first 3 weeks of auction sales, prices averaged

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Economic Trends Affecting Agriculture

Year and month	Industrial production (1935-39=100) ¹	Total income of industrial workers (1935-39=100) ²	1910-14=100					Index of prices received by farmers (August 1909-July 1914=100)			
			Average earnings of factory workers per worker	Wholesale prices of all commodities ³	Prices paid by farmers		Farm wage rates ⁴	Livestock and products			
					Commodities	Commodities, interest, and taxes		Dairy products	Poultry and eggs	Meat animals	All livestock
1910-14 average	58	50	100	100	100	100	100	100	101	101	101
1915-19 average	72	90	152	158	151	150	148	148	154	163	158
1920-24 average	75	122	221	160	161	173	178	159	163	123	142
1925-29 average	98	129	232	143	155	168	179	160	155	143	154
1930-34 average	74	78	179	107	122	135	115	105	94	85	93
1935-39 average	100	100	169	118	125	128	118	119	109	119	117
1940-44 average	192	238	325	139	150	147	212	162	146	171	164
1945 average	203	291	403	154	180	172	350	197	196	210	203
1946 average	170	275	392	177	202	193	378	242	198	256	240
1947 average	187	332	440	222	245	231	408	269	221	340	293
1948 average	192	364	475	241	264	249	432	297	236	371	320
1948											
April	188	341	463	238	264	249	420	296	214	347	304
May	192	350	464	239	265	250	-----	291	211	361	309
June	192	361	472	243	266	251	-----	291	221	390	326
July	186	361	473	246	266	251	431	300	234	417	344
August	191	377	483	247	266	251	-----	305	247	411	344
September	192	380	484	246	265	250	-----	302	253	408	343
October	195	378	488	241	263	249	427	289	250	373	323
November	195	376	489	239	262	248	-----	284	272	351	313
December	192	374	493	237	262	248	-----	283	260	339	305
1949											
January	191	⁵ 362	489	234	260	248	438	275	240	330	295
February	189	⁵ 354	⁵ 486	231	257	245	-----	264	218	315	290
March	184	⁶ 347	⁶ 481	231	258	246	-----	254	217	335	287
April	⁶ 179	-----	-----	-----	258	246	416	240	221	333	282
May	-----	-----	-----	229	257	245	-----	234	217	328	277

Year and month	Index of prices received by farmers (August 1909-July 1914=100)								All crops and live-stock	Parity ratio ⁷
	Crops									
	Food grains	Feed grains and hay	To-bacco	Cotton	Oil-bearing crops	Fruit	Truck crops	All crops		
1910-14 average	100	101	102	96	98	99	-----	99	100	100
1915-19 average	193	164	187	168	187	125	-----	168	162	106
1920-24 average	147	126	192	189	149	143	⁸ 143	160	151	86
1925-29 average	140	119	172	145	129	141	140	143	149	59
1930-34 average	70	76	119	74	72	94	105	86	90	66
1935-39 average	94	95	175	83	106	83	102	97	107	84
1940-44 average	123	119	245	131	159	133	172	143	154	103
1945 average	172	161	366	171	215	220	224	201	202	117
1946 average	201	195	382	228	244	226	204	226	233	121
1947 average	271	246	380	261	335	194	249	261	278	120
1948 average	250	249	387	259	326	157	238	250	287	115
1948										
April	260	291	371	275	351	142	340	276	291	117
May	261	282	370	284	357	141	262	267	289	116
June	249	278	370	234	364	155	213	261	295	118
July	240	256	370	266	366	172	213	253	301	120
August	227	235	386	245	310	183	172	236	293	117
September	223	223	406	250	282	185	150	231	290	116
October	226	192	418	251	270	174	176	227	277	111
November	234	181	412	246	283	157	186	224	271	109
December	236	184	415	239	283	164	209	228	298	103
1949										
January	232	187	412	236	274	180	282	238	268	108
February	221	173	412	235	244	181	285	233	258	105
March	224	178	411	232	242	189	263	232	261	106
April	227	178	410	241	238	207	236	236	260	106
May	227	174	411	242	231	215	213	234	256	104

¹ Federal Reserve Board represents output of mining and manufacturing; monthly data adjusted for seasonal variation.

² Computed from data furnished by Bureau of Labor Statistics and Interstate Commerce Commission on pay rolls in mining, manufacturing, and transportation; monthly data adjusted for seasonal variation. Revised August 1948.

³ Bureau of Labor Statistics.

⁴ Monthly data adjusted for seasonal variation.

⁵ Revised.

⁶ Preliminary.

⁷ Ratio of prices received to prices paid for commodities, interest and taxes

⁸ 1924 only.

Outlook Highlights

(Continued from p. 14)

52 cents a pound compared with 43 cents a pound for sales in May 1948.

Cotton Near Season High

In the first half of May, cotton prices continued only slightly below the season's highs reached in late April. Heavy demand for export and the relatively tight supply of "free" cotton have been important in maintaining high cotton prices.

Slightly more than half of all domestic stocks of cotton are estimated to have been under CCC loan on May 1.

Corn Still Below Loan

Corn prices have been 20 to 30 cents below the loan rate in recent months. Other feed grains have been near or below loan levels. If weather this summer and fall is favorable, feed grain prices are likely to stay near or below the loan. Planting and growth of feed grains has made satisfactory progress in all parts of the country this spring.

Egg Prices Rising Seasonally

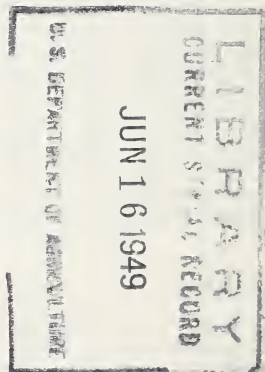
Prices of eggs reached their spring season low in March and are likely to continue up at about the usual seasonal rate until fall. Poultry prices broke sharply in late April. In mid-May the average prices received by farmers for chickens was 28.2 cents per pound compared with 31 cents a month earlier. Turkey prices dropped from 42.6 cents a pound to 36.9 cents in the same period.

Deciduous Fruit Outlook

If the deciduous fruit crop turns out as large as expected now, prices are likely to drop to levels about the same or slightly lower than last summer.

Prices of citrus fruits probably will continue above those of last summer.

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